Comparison of Health Care Reform Proposals

	Cal CARE Senate Republican Plan	Governor Schwarzenegger	Senate President Pro Tempore Perata	Assembly Speaker Núñez
Individuals Covered	Every Californian will have improved access with more healthcare options and services that are more affordable and cost-efficient. Reallocates First Five money for children's health care.	All Californians.	Working Californians and dependents. All children, regardless of residency status, up to 300% federal poverty level (FPL).	Working Californians, including part-time and seasonal workers and dependents. All children, regardless of residency status, up to 300% FPL. Intent to cover single, unemployed adults not currently eligible for any public program by 2012.
Individual Mandate	None. Tax Equalization: People purchasing insurance in the individual market should receive the same tax benefit as an employer purchasing coverage for its employees.	Individual Mandate: All Californians, including children, would be required to have minimum health coverage. Minimum covered defined as a $5,000 deductible plan with maximum out-of-pocket limits of $7,500 per person and $10,000 per family. Enforced through wage withholding and the tax code.	Working Californians and dependents would be required to have a minimum health coverage policy. Minimum coverage benefit level to be determined by the Managed Risk Medical Insurance Board. Enforced through the tax code.	None.

	Cal CARE Senate Republican Plan	Governor Schwarzenegger	Senate President Pro Tempore Perata	Assembly Speaker Núñez
Employer Mandate; Employee Responsibility	No employer mandate. Provides employers who offer health insurance incentives like flex-time and other employer/employee agreed upon benefits.	Pay or Play: Employers would be required to spend at least 4% of payroll for employee health insurance OR pay an equivalent amount. Exemption: Employers with fewer than 10 employees.	Pay or Play: Employers would be required to spend a certain percentage of payroll (adjusted on a sliding scale) for employee health insurance OR pay an equivalent amount to a State Trust Fund along with an employee contribution.	Pay or Play: Employers would be required to provide employee health coverage OR pay a fee based on "fair share" percentage of payroll. Exemptions for: ► firms of less than two workers ► firms with payroll of $100,000 or less ► certain newly established firms in business for less than three years All employees who are offered coverage at work would be required to accept coverage for them and their dependents, provided their share of costs does not exceed a reasonable percentage of their income. Employees whose employers pay rather than offer coverage would pay a percentage of their income.

	Cal CARE Senate Republican Plan	Governor Schwarzenegger	Senate President Pro Tempore Perata	Assembly Speaker Núñez
Medi-Cal Rate Increase	Yes. Increase rates closer to Medicare. ► Makes rate increases a budget priority, starting with the lowest rates first, over the next eight years.	Yes. $4 billion to increase rates closer to Medicare level.	No.	No.
Purchasing Pool	No.	Yes.	Yes – the "Connector".	Yes – California Cooperative Health Insurance Purchasing Program (Cal-CHIPP).
Individual Contribution to Obtain Coverage Through Purchasing Pool	Not applicable.	Sliding-scale individual contribution 3%-6% of gross income required to obtain coverage through purchasing pool.	For participating employees, no additional cost for basic coverage.	No additional cost for basic coverage.
Medi-Cal/Healthy Families Expansion/ Changes	Realign Medi-Cal benefits to more closely mirror the private healthcare benefits received by other taxpayers. Requires the Department of Health Services (DHS) to make the necessary changes. Reallocates First Five funds for children's health care initiatives.	Expand Healthy Families/Medi-Cal for all children, regardless of residency status, up to 300% FPL. Expand Medi-Cal to include all legal resident adults up to 100% FPL. Establish "bright-line" threshold between Medi-Cal and Healthy Families/new purchasing pool at 100% FPL.	(See note under Financing)	Increase Medi-Cal and Healthy Families for all families up to 300% FPL, children would be covered regardless of residency status. Wraparound Medi-Cal and Healthy Families benefits for eligible persons with employers sponsored coverage.

	Cal CARE Senate Republican Plan	Governor Schwarzenegger	Senate President Pro Tempore Perata	Assembly Speaker Núñez
Tax and Regulatory Incentives **For Individuals**	State tax conformity on Health Savings Accounts. Tax Equalization: People purchasing insurance in the individual market should receive the same tax benefit as an employer purchasing coverage for its employees.	State tax conformity on Health Savings Accounts.	None.	None.
Tax and Regulatory Incentives **For Employers**	Encourage all employers to establish "Section 125 plans," allowing employees to use pre-tax income for health expenses. Permit employers who offer health insurance incentives like flex time and other employer/employee agreed on benefits.	All employers required to establish "Section 125 plan," allowing employees to use pre-tax sheltered income for health expenses.	None.	All employers required to establish "Section 125 plan," allowing employees to use pre-tax income for health expenses.
Tax and Regulatory Incentives **Providers**	Provide hospitals and physicians a tax credit to purchase health care IT, such as electronic medical records and telemedicine. Establish a low-interest loan program to help non-profit hospitals and medical groups for investment in health care IT. Establish a tax credit for the cost of providing care for the uninsured.	None.	None.	None.

	Cal CARE Senate Republican Plan	Governor Schwarzenegger	Senate President Pro Tempore Perata	Assembly Speaker Núñez
Insurance Market Reforms	Encourage greater availability of benefit designs that conform to existing federal requirements for HSA-eligible High Deductible Health Plans (HDHPs) to provide necessary coverage for major illnesses and catastrophic care. Require DMHC and DOI to allow health plans and insurers to place more products on the market to increase consumer choice. Have California lead by example regarding product innovation and consumer choice by requiring Cal-PERS to offer HDHPs and HSAs to state employees. Permit greater flexibility for coverage rates, reflecting lifestyle behaviors, in the Small Group Market.	Health plans: ► Guarantee coverage in the individual market ► Rates based only on age and geographic area in the individual market ► 85% of premiums must be spent on patient care.	For health plans participating in the purchasing pool: ► guaranteed issue ► community rating.	► Prohibits exclusion of coverage for minor health conditions, as determined by MRMIB. ► Restructures the state's high-risk pool and requires MRMIB to determine specific excludable pre-existing conditions for inclusion in the high-risk pool. ► Requires health insurers to offer uniform benefit designs in and outside of Cal-CHIPP.

	Cal CARE Senate Republican Plan	Governor Schwarzenegger	Senate President Pro Tempore Perata	Assembly Speaker Núñez
Improve Access to Medical Services	Expand care by allowing hospitals to offer preventative services only coverage, giving them flexibility to redirect uncovered patients with treatment at hospital or community-based clinics before they arrive at the emergency room with non-emergencies. Encourage more clinics by allowing RNs to run clinics; adjust physician oversight requirements to improve access to primary care in underserved areas. Encourage more clinics by reallocating a portion of state-only healthcare programs to expand services delivered through primary care clinics. Encourage more clinics by reallocating a portion of the $2 billion currently allocated to disproportionate share hospitals (DSH) to fund clinic creation and expansion. Realignment and extension of coverage for the "uninsurable" needy population by using Prop 99 funds.	Remove statutory and regulatory barriers to expansion of lower-cost models of health care delivery such as retail-based medical clinics by making scope of practice changes for "physician extenders" such as nurse practitioners and physician assistants.	None.	None.

	Cal CARE Senate Republican Plan	Governor Schwarzenegger	Senate President Pro Tempore Perata	Assembly Speaker Núñez
Cost Containment	► Expansion of clinics to be used over emergency rooms for non-emergency services. ► Transparency: The expansion of more affordable health coverage products available for consumers creates the need for pricing information to become more readily available by hospitals and providers for different health services. ► Seismic Safety Reform: A new prioritization system should be implemented by first focusing on the hospitals most at risk first. ► Provide Appropriate Due Process to Assist Hospitals From Being Blocked by Bureaucracies or Special Interests– Hospital access to state-sponsored support should be based on sound public policy, not dictated by entrenched bureaucracies or special interests. (additionally, see Insurance Market Reforms)	►Reduce regulatory requirements on health plans ► Reduce regulatory requirements in order to promote certain delivery models, such as retail clinics. ► Pilot to combine workers' compensation with traditional health coverage. ► Health plans must offer "health actions" rewards and incentives with benefit packages. ► Promote health information technology and patient health records ► Link future Medi-Cal provider and plan rate. increases to performance ► Make changes to seismic safety requirements for hospitals. ► Data reporting and quality monitoring. ► Health promotion and wellness (prevention of diabetes, medical errors, health care acquired infections, obesity, and tobacco use).	Within the purchasing pool: ► Managed competition through choice of health plans. ► Medi-Cal managed care buy-in. ► Cap on health plan administrative costs and profits. ► Plans must implement evidence-based practices that control cost growth, including preventive care, case management for chronic diseases, promotion of health information technology, standardized billing practices, reduction of medical errors, incentives for healthy lifestyles, appropriate patient cost-sharing, and rational use of new technology.	► Disease management in state health coverage programs. ► Pay-for-performance for state-funded health coverage programs. ► Require plans and providers to participate in a personal health records system. ► Simplify benefit designs. ► Uniform benefit designs will include preventive services. ► Healthy lifestyles programs. ► Centralized technology assessment.

	Cal CARE Senate Republican Plan	Governor Schwarzenegger	Senate President Pro Tempore Perata	Assembly Speaker Núñez
Financing - Federal Government	► Send federal government the bill for $2.2 billion which is the cost of providing federally mandated healthcare services to illegal immigrants.	► Federal funds and redirection of safety net funds ($5.5 billion)	► Federal funds. Sources are: Increase Medicaid for working parents to 300% FPL Increase State Children's Health Insurance Program (SCHIP) for legal resident children to 300% FPL	► Federal funds (Medicaid, SCHIP)
Financing - State & Local Government	► Reallocate a substantial part of the $2 billion provided annually to DSH hospitals to be used to create and expand primary care clinics. ► Realigning Medi-Cal to private benefits will generate substantial savings. The savings can be applied to increasing Medi-Cal reimbursement rates. ► Use Prop. 99 funds to fund the waiting list for MRMIP. ► Reallocate $500 million from First Five to children health care initiatives. ► Reallocate a substantial part of the $300 million spent on state-only Medi-Cal and health programs to offset tax expenditures.	► Redirect county funds, which includes realignment funds ($2 billion)	None.	None.

	Cal CARE Senate Republican Plan	Governor Schwarzenegger	Senate President Pro Tempore Perata	Assembly Speaker Núñez
Financing - State Mandated Out of Pocket Expenses	None.	► Employer contributions ► Employee and individual contributions ► Hospital and physician contributions. ► 2% fee on physician revenues and 4% fee on hospital revenues ($3.5 billion)	► Employer contributions ► Employee contributions	► Employer contributions ► Employee contributions ► Surcharge on health insurance premiums (to finance high-risk pool)
Implementation Timeline	January 1, 2008.	Not specified.	Not specified.	July 2008 – Insurance market reforms, kids coverage January 2009 – Pay or play employer mandate January 2012 – Coverage for remaining uninsured

SOURCE: Senate Office of Research and the Senate Republican Caucus